

October 30, 2015

**PUBLIC DOCUMENT**

Daniel P. Wolf  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
St. Paul, Minnesota, 55101-2147

RE: **PUBLIC Comments of the Minnesota Department of Commerce, Division of Energy Resources**  
Docket No. E015/M-15-875

Dear Mr. Wolf:

Attached are the **PUBLIC** Comments of the Minnesota Department of Commerce, Division of Energy Resources (Department) in the following matter:

In the Matter of Minnesota Power's Petition for Approval of Credits to Customers

The petition was filed on September 30, 2015 by:

Leann Oehlerking-Boes  
Manager, Energy Pricing & Billing  
Minnesota Power  
30 West Superior Street  
Duluth, MN 55802

The Department recommends that Minnesota Power (MP) complete the record as discussed in these comments. The Department will file additional comments as needed based on its review of MP's reply comments.

Sincerely,

/s/ SAMIR OUANES  
Rates Analyst

SO/ja  
Attachment

**BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**

**PUBLIC COMMENTS OF THE  
MINNESOTA DEPARTMENT OF COMMERCE  
DIVISION OF ENERGY RESOURCES**

**DOCKET No. E015/M-15-875**

**I. SUMMARY OF PROPOSAL**

On September 30, 2015, Minnesota Power (MP or the Company) submitted a petition (Petition) requesting that the Minnesota Public Utilities Commission (Commission) approve Minnesota Power's proposed allocation of a settlement payment to the customers that were affected by service issues during the periods of October 2013-February 2014 and July 2014-November 2014.

On October 19, 2015, MP requested an extension of time to provide responses to the Minnesota Department of Commerce, Division of Energy Resources (DOC or the Department) Information Requests 1-7 on or before October 30, 2015.

To ensure a prompt recovery of the settlement payment by MP's customers, the Department files these initial comments by the October 30, 2015 comment deadline with the understanding that MP will complete the record through reply comments as requested through discovery and in these comments.

**II. DEPARTMENT ANALYSIS**

The Department's review of MP's proposed credit approach is based on the premise that a reasonable credit method should balance "administrative simplicity with providing an appropriate credit to the affected customers."

In the next sections, the Department will address the following issues in turn:

- Are the amount received in the negotiated settlement and the process used to calculate this amount reasonable?
- Is MP's proposed WPPI Energy's portion of the settlement payment reasonable?

- Is MP's proposed Wholesale Customers' portion of the settlement payment reasonable?
- Is MP's proposed refund mechanism to its retail customers reasonable?
- How did the Department correct MP's calculation of the Credit Amount to be refunded to each customer class?
- What other refund options are available for the Commission's consideration?

1. *Settlement Agreement*

The Company provided the settlement payment's background as follows:<sup>1</sup>

**[TRADE SECRET DATA HAS BEEN EXCISED]**

Given the limited amount of background information provided in the record by MP, the Department cannot conclude at this time that the amount received in the negotiated settlement is reasonable.

Through discovery, the Department requested that MP provide a complete copy of the Settlement Agreement, a narrative fully explaining and guiding the reader through the process used to calculate the amount received in the negotiated settlement, and fully justify why the amount received in the negotiated settlement and the process used to calculate this amount are reasonable.<sup>2</sup>

The Department recommends that MP complete the record, in reply comments, as requested in DOC information request No. 1.

In light of MP's statement that the Settlement Agreement was entered into as part of **[TRADE SECRET DATA HAS BEEN EXCISED]**, the Department also requests MP to identify, fully discuss and quantify in reply comments any and all potential trade-offs that were needed to obtain the settlement payment, including but not limited to possibly (or potentially) less favorable terms for **[TRADE SECRET DATA HAS BEEN EXCISED]**

The Department will file additional comments if its review of MP's reply comments regarding these issues raises any concerns.

---

<sup>1</sup> Source: page 3 of the instant filing.

<sup>2</sup> MP's response to DOC information request No. 1 was due on October 22, 2015. See complete discovery in Attachment 1 to these comments.

## 2. *WPPI Energy's Portion of the Settlement Payment*

The Company identified and justified the portion of the settlement payment that is proposed to be provided to WPPI Energy (WPPI Credit Amount) as follows:<sup>3</sup>

The [TRADE SECRET DATA HAS BEEN EXCISED] must initially be allocated between Minnesota Power and WPPI based on the cost of replacement power incurred across Minnesota Power's entire steam fleet during the months of October 2013 through February 2014 and July 2014 through November 2014 before an allocation to Minnesota Power customers can occur. Because Boswell Unit 4 was affected by the service issues, a portion of the payment needs to be allocated to WPPI due to their partial ownership in Boswell Unit 4. The amount to be allocated to WPPI is [TRADE SECRET DATA HAS BEEN EXCISED]. The remaining [TRADE SECRET DATA HAS BEEN EXCISED] ("Credit Amount") will be allocated to Minnesota Power customers based on the following methodology.

Given the limited amount of information provided in the record by MP, the Department cannot conclude at this time whether MP's proposed WPPI Credit Amount is reasonable.

Through discovery, the Department requested that MP provide a narrative fully explaining and guiding the reader through the process used by MP to calculate the WPPI Credit Amount, and fully justifying why the WPPI Credit Amount and the process MP used to calculate this amount are reasonable.<sup>4</sup>

The Department recommends that MP complete the record, in reply comments, by providing the information requested in DOC Information Request No. 2.

The Department will file additional comments if its review of MP's reply comments regarding the WPPI Credit Amount raises any concerns.

---

<sup>3</sup> Source: page 4 of the instant filing.

<sup>4</sup> MP's response to DOC Information Request No. 2 was due on October 22, 2015. See complete discovery in Attachment 1 to these comments.

3. *Wholesale, Large Power and Other Retail Customers' Portions of the Credit Amount*

The Company identified and justified its proposed Wholesale, Large Power and Retail Customers' portions of the Credit Amount (Wholesale Credit Amount, Large Power Credit Amount and Other Retail Credit Amount) as follows:<sup>5</sup>

The Credit Amount will be adjusted for the jurisdictional split between wholesale municipal and retail customers served by Minnesota Power, and the retail portion will then be allocated to individual retail customer rate classes based on the class level power supply production allocation factors established in Minnesota Power's last rate case.

MP provided the Credit Amount allocation calculations in its Attachment A. As discussed below, the Department's review of MP's Attachment A raised several concerns regarding the Company's proposed allocation of the Credit Amount.

Attachment A shows that MP proposes to allocate the Credit Amount between its Wholesale and Retail customers, and between its Retail customer classes, based on test year data from MP's last rate case in Docket No. E015/GR-09-1151.<sup>6</sup>

The Department objects to the use of data from MP's last rate case because it is inconsistent with the way MP's customers were overcharged. Further, MP's proposal is inconsistent in that the Company proposed to allocate the Wholesale Credit Amount among its Wholesale customers and the Large Power Credit Amount among its Large Power customers, not based on 2009 test year data, but based on "firm kWh" during the relevant time periods when these customers were overcharged as a result of "the service issues."<sup>7</sup>

As shown in MP's July 2013-June 2014 (FYE14) and July 2014-June 2015 (FYE15) AAA reports, MP's calculation of its monthly "Fuel Cost Recovery" from its retail customers is based on the "Retail kWh Sales Subject to Fuel Clause."<sup>8</sup>

---

<sup>5</sup> Source: page 4 of the instant filing.

<sup>6</sup> Source: page 1 of 5 of MP's Attachment A.

<sup>7</sup> Source: Attachment A, page 2 of 5 for the Large Power customers and page 4 of 5 for the Wholesale customers.

<sup>8</sup> Source: Docket Nos. E999/AA-14-579 and E999/AA-15-611. For example, MP's calculation of its monthly fuel cost recovery from the Large Power class is shown under lines 34-40 of page 3 of 4 of Attachment 3 in MP's FYE14 and FYE14 AAA reports.

A second issue stems from the fact that MP's proposal is inconsistent with the Company's calculation in its AAA reports of its monthly "Fuel Cost Recovery" from its retail customers, which are adjusted by specific customer class cost factors (E8760 allocation factors). For example, MP adjusts its actual monthly fuel cost recovery from its Large Power customers by a factor of 0.97769, which reduces these customers' energy costs by that factor.<sup>9</sup> Similarly, MP adjusts its actual monthly fuel cost recovery from its Residential customers by a factor of 1.07076, which increases these customers' energy costs by that factor.<sup>10</sup>

A third issue relates to MP's proposal to use "firm kWh for the Dec 2013-April 2014, and Sept 2014-Jan 2015 time period" in its calculation of the amounts to be credited to individual Large Power customers.<sup>11</sup> While there may be a legitimate reason to allocate the Large Power Credit Amount based on "firm kWh," instead of the actual retail kWh sales that were the basis of MP's fuel cost recovery, MP did not provide an explanation.

Through discovery, the Department requested that MP provide a narrative fully explaining in layman's terms what the concept of "firm kWh" represents and/or measures, and fully justifying why it is reasonable to use "firm kWh" sales in the calculation of the amounts to be credited to individual Large Power customers, instead of the actual retail kWh sales that were the basis of MP's fuel cost recovery.

A fourth issue relates to MP's proposed credit to Magnetation Plant IV (Magnetation). MP proposed that the credit to Magnetation, reflecting the period beginning when Magnetation became a Large Power customer, be taken out of the Other Retail Credit Amount instead of the Large Power Credit Amount.<sup>12</sup> The Department cannot conclude that MP's proposal in this regard is appropriate.

#### *4. Department Credit Amounts Calculation*

In light of the issues raised above, and based on the information available at this time, the Department recalculated the Wholesale, Large Power and Other Retail Credit Amounts with actual kWh data used by MP to calculate its monthly fuel cost recovery during the relevant time periods when these customers were overcharged as a result of "the service issues."

---

<sup>9</sup> MP's calculation of its monthly fuel cost recovery from the Large Power class is shown under lines 34-40 of page 3 of 4 of Attachment 3 in MP's FYE14 and FYE15 AAA reports, Docket Nos. E999/AA-14-579 and E999/AA-15-611.

<sup>10</sup> MP's calculation of its monthly fuel cost recovery from the Residential class is shown under lines 13-19 of page 2 of 4 of Attachment 3 in MP's FYE14 and FYE15 AAA reports, Docket Nos. E999/AA-14-579 and E999/AA-15-611.

<sup>11</sup> Source: Page 2 of 5 of Attachment A.

<sup>12</sup> Source: Page 3 of 5 of Attachment A.

As shown in Attachment 2 to these comments, the Department’s calculated “jurisdictional split between wholesale municipal and retail customers served by Minnesota Power” is respectively 15.85 percent and 84.15 percent versus MP’s proposed 17.98 percent and 82.02 percent.

As a result, the Department’s Credit Amounts differ from MP’s proposed Credits Amounts as follows: **[TRADE SECRET DATA HAS BEEN EXCISED]** for MP’s retail customers.<sup>13</sup>

Then, the Department adjusted the retail kWh sales by the specific customer class cost factors to reflect the way MP recovered its fuel cost. As a result, the Department’s class credit amounts differ from MP’s estimated class credit amounts as follows:<sup>14</sup>

| Credit Amount               | MP  | Department | % change       |
|-----------------------------|---|------------|----------------|
| Residential                 |   |            | 13.42%         |
| General Service             |   |            | 4.07%          |
| Large Light & Power         |   |            | 5.66%          |
| Large Power                 |   |            | -0.68%         |
| Municipal Pumping           |   |            | 28.18%         |
| Lighting                    |   |            | 21.01%         |
| <u>Retail Credit Amount</u> | <b>[TRADE SECRET DATA HAS BEEN EXCISED]</b> |            | <u>2.69%</u>   |
| Other Retail Amount         |   |            | 8.31%          |
| <u>Wholesale Amount</u>     |   |            | <u>-11.84%</u> |
| <u>Total Credit Amount</u>  |   |            | <u>0.07%</u>   |

The Department notes that the de minimis difference between the Department's total credit amount and MP's total credit amount stems from MP's apparent misallocation of the Large Power-related credit to Magnetation out of the Other Retail Credit Amount.

<sup>13</sup> Source: Attachment 2 to these comments.

<sup>14</sup> Source: Attachment 2 to these comments.

5. *Additional Credit Methods for the Commission's Consideration*

Given the issues raised above, the Department recommends denial of MP's proposed credit method.

The Department recommends that MP provide in reply comments a narrative fully explaining and guiding the reader through the process used by MP to calculate the WPPI Credit Amount, and fully justifying why the WPPI Credit Amount and the process MP used to calculate this amount are reasonable.

Pending receipt and review of MP's reply comments and assuming that MP provides in reply comments a reasonable justification for the proposed WPPI Credit Amount, the Department offers the following alternative credit methods, in order of preference, and amounts that balance at different degrees "administrative simplicity with providing an appropriate credit to the affected customers."

Method 1: FCA Method

MP could credit the Retail Credit Amount (**[TRADE SECRET DATA HS BEEN EXCISED]**) to its Retail customers through the fuel clause adjustment (FCA). The Department notes that this is the credit method that was proposed by Xcel Energy and approved by the Commission in a recent refund filing in Docket No.E002/M-14-614.

Under Method 1, MP should:

- either credit through the FCA the Retail Credit Amount in the first month following the Commission's Order in this matter, or in equal monthly credits over a reasonable period; and
- credit the Wholesale Credit Amount (**[TRADE SECRET DATA HAS BEEN EXCISED]**) to its Wholesale customers according to the Company's proposed method on page 4 of 5 of Attachment A.

Method 2: Direct Credit to Affected Customers

If MP opposes Method 1 above, the Department requests MP to fully discuss and justify its opposition in reply comments, including why any identified issues with Method 1 cannot be alleviated.



Method 2.a: Use of FCA kWhs

Under Method 2.a, MP should:

- allocate the Credit Amount of each retail customer class as calculated above by the Department to individual customers based on their contribution to the total (FCA) energy sales for their respective classes for the impacted billing months; and
- credit the Wholesale Credit Amount (**[TRADE SECRET DATA HAS BEEN EXCISED]**) to its Wholesale customers according to the Company's proposed method on page 4 of 5 of Attachment A.

The Department recommends that MP provide in reply comments all spreadsheets (in an Excel format with all links and formulas intact, and in a PDF format) used by MP to calculate the credit for each individual customer according to Method 2.a.

Method 2.b: Use of "Firm kWhs"

If MP continues to propose to allocate the Credit Amount of each retail customer class to individual customers based on their contribution to the total "firm" energy sales for their respective classes for the impacted billing months, the Department recommends that MP provide in reply comments a narrative fully explaining in layman's terms what the concept of "firm kWh" represents and/or measures, and fully justifying why it is reasonable to use the "firm kWh" sales in the calculation of the amounts to be credited to individual customers, and an explanation as to why using a "firm kWh" basis is preferable to using the actual retail kWh sales that are the basis of MP's fuel cost recovery.

Under Method 2.b, MP should:

- allocate the Credit Amount of each retail customer class as calculated above by the Department to individual customers based on their contribution to the total "firm" energy sales for their respective classes for the impacted billing months; and
- credit the Wholesale Credit Amount (**[TRADE SECRET DATA HAS BEEN EXCISED]**) to its Wholesale customers according to the Company's proposed method on page 4 of 5 of Attachment A.

The Department recommends that MP provide in reply comments all spreadsheets (in an Excel format with all links and formulas intact, and in a PDF format) used by MP to calculate the credit for each individual customer according to Method 2.b.

Method 3: Direct Credit to Wholesale and Large Power Customers and FCA Credit for Other Retail Customers

If MP opposes Method 2 as described above, the Department requests MP to fully discuss and justify its opposition in reply comments, including why the identified issues with Method 2 cannot be alleviated.

Method 3.a: Use of FCA kWhs

Under Method 3.a, MP should:

- allocate the Large Power Credit Amount as calculated above by the Department to individual Large Power customers based on their contribution to the total (FCA) energy sales for their respective classes for the impacted billing months;
- provide to each of its other retail customer classes the corresponding Department-calculated class Credit Amount through the FCA; and
- credit the Wholesale Credit Amount (**[TRADE SECRET DATA BEGINS HAS BEEN EXCISED]**) to its Wholesale customers according to the Company's proposed method on page 4 of 5 of Attachment A.

The Department recommends that MP provide in reply comments all spreadsheets (in an Excel format with all links and formulas intact, and in a PDF format) used by MP to calculate the credit for each individual Wholesale and Large Power customer according to Method 3.a.

Method 3.b: Use of "firm kWhs"

If MP continues to propose to allocate the Large Power Credit Amount to individual Large Power customers based on their contribution to the total "firm" energy sales for their respective classes for the impacted billing months, MP should under this method:

- allocate the Large Power Credit Amount as calculated above by the Department to individual Large Power customers based on their contribution to the total "firm" energy sales for their respective classes for the impacted billing months;
- provide to each of its other retail customer classes the corresponding Department-calculated class Credit Amount through the FCA; and
- credit the Wholesale Credit Amount (**[TRADE SECRET DATA HAS BEEN EXCISED]**) to its Wholesale customers according to the Company's proposed method on page 4 of 5 of Attachment A.

The Department recommends that MP provide in reply comments all spreadsheets (in an Excel format with all links and formulas intact, and in a PDF format) used by MP to calculate the credit for each individual Wholesale and Large Power customer according to Method 3.b.

### III. DEPARTMENT RECOMMENDATIONS

Given the issues raised above, the Department recommends denial of MP's proposed credit method at this time.

Based on the record to date, the Department recommends that the Commission require MP to flow through the FCA the Credit Amount of **[TRADE SECRET DATA HAS BEEN EXCISED]** and to credit the Wholesale Credit Amount (**[TRADE SECRET DATA HAS BEEN EXCISED]**) to its Wholesale customers according to the Company's proposed method on page 4 of 5 of Attachment A.

The Department requests MP to complete the record as discussed in these comments and through discovery.<sup>15</sup> The Department may provide additional comments upon review of MP's reply comments.

/ja

---

<sup>15</sup> The Department notes the following correction to the DOC information request Nos. 3 and 4: please substitute **[TRADE SECRET DATA HAS BEEN EXCISED]**. The Department also notes the following correction to the Department's information request No. 6: please substitute **[TRADE SECRET DATA HAS BEEN EXCISED]**.

---

Attachment 1

Department Information Request Numbers 1 and 2

**State of Minnesota**  
**DEPARTMENT OF COMMERCE**  
**DIVISION OF ENERGY RESOURCES**

Nonpublic   
Public

Utility Information Request

Docket Number: E015/M-15-875

Date of Request: October 12, 2015

Requested From: Samir Ouanes

Response Due: October 22, 2015

Analyst Requesting Information: Minnesota Power

Type of Inquiry:    .....Financial            .....Rate of Return        .....Rate Design  
                         .....Engineering            .....Forecasting            .....Conservation  
                         .....Cost of Service        .....CIP                        .....Other:

***If you feel your responses are trade secret or privileged, please indicate this on your response.***

| Request No. |  |
|-------------|--|
| 1           | <p>Subject: Negotiated Settlement</p> <p>MP's September 30, 2015 filing in Docket No. E015/M-15-875 states in part that:</p> <p style="padding-left: 40px;">Minnesota Power is seeking Commission approval to credit customers for an amount received in a negotiated settlement, as well as the appropriate method for allocating the funds received to the affected customers.</p> <ol style="list-style-type: none"><li>1) Please provide an accounting document showing the amount received and when it was received by MP.</li><li>2) Please provide a complete copy of the Settlement Agreement in support of the amount received in the negotiated settlement.</li><li>3) Please provide all spreadsheets (in an Excel format with all links and formulas intact, and in a PDF format) used to calculate the amount received in the negotiated settlement.</li></ol> <p><i>Continued on next page</i></p> |

Response by: \_\_\_\_\_ List sources of information: \_\_\_\_\_  
Title: \_\_\_\_\_  
Department: \_\_\_\_\_  
Telephone: \_\_\_\_\_

- 4) Please provide a narrative fully explaining and guiding the reader through the process used to calculate the amount received in the negotiated settlement.
- 5) Please fully justify why the amount received in the negotiated settlement and the process used to calculate this amount are reasonable.

---

Response by: \_\_\_\_\_

List sources of information:

Title: \_\_\_\_\_

\_\_\_\_\_

Department: \_\_\_\_\_

\_\_\_\_\_

Telephone: \_\_\_\_\_

\_\_\_\_\_

**State of Minnesota**  
**DEPARTMENT OF COMMERCE**  
**DIVISION OF ENERGY RESOURCES**

Nonpublic   
Public

Utility Information Request

Docket Number: E015/M-15-875

Date of Request: October 12, 2015

Requested From: Samir Ouanes

Response Due: October 22, 2015

Analyst Requesting Information: Minnesota Power

Type of Inquiry:    .....Financial            .....Rate of Return        .....Rate Design  
                          .....Engineering            .....Forecasting            .....Conservation  
                          .....Cost of Service        .....CIP                      .....Other:

***If you feel your responses are trade secret or privileged, please indicate this on your response.***

| Request No. |  |
|-------------|--|
| 2           | <p>Subject: Amount of the Settlement Payment MP Proposes to Allocate to WPPI</p> <ol style="list-style-type: none"><li>1) Please provide all spreadsheets (in an Excel format with all links and formulas intact, and in a PDF format) used by MP to calculate the portion of the settlement payment MP proposes to allocate to WPPI (WPPI Credit Amount).</li><li>2) Please provide a narrative fully explaining and guiding the reader through the process used by MP to calculate the WPPI Credit Amount.</li><li>3) Please fully justify why the WPPI Credit Amount and the process MP used to calculate this amount are reasonable.</li></ol> |

Response by: \_\_\_\_\_

List sources of information: \_\_\_\_\_

Title: \_\_\_\_\_

Department: \_\_\_\_\_

Telephone: \_\_\_\_\_

Attachment 2, DOC October 30, 2015 comments in Docket No. E015/M-15-875

Page 1 of 3

Public Document

| Retail kWh Sales        | Dec-13      | Jan-14        | Feb-14      | Mar-14      | Apr-14      | Sep-14      | Oct-14      | Nov-14      | Dec-14      | Jan-15      |
|-------------------------|-------------|---------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| (1) Residential         | 107,044,143 | 151,823,081   | 123,003,135 | 102,840,203 | 108,607,991 | 73,069,708  | 69,211,553  | 75,515,386  | 106,102,773 | 123,925,041 |
| (2) General Service     | 57,355,526  | 74,387,963    | 60,616,684  | 53,169,606  | 62,698,863  | 52,381,592  | 48,974,409  | 48,333,305  | 58,181,368  | 63,181,958  |
| (3) Large Light & Power | 111,314,883 | 131,031,877   | 115,068,328 | 105,456,871 | 127,567,661 | 124,574,195 | 121,512,488 | 116,050,872 | 120,170,169 | 127,194,147 |
| (4) Large Power         | 475,284,333 | 490,094,883   | 427,097,444 | 494,813,909 | 455,504,806 | 368,397,714 | 483,289,765 | 486,373,261 | 501,760,401 | 486,801,975 |
| (5) Municipal Pumping   | 2,842,644   | 3,716,230     | 3,112,920   | 2,381,970   | 3,396,938   | 1,533,448   | 1,466,503   | 1,418,706   | 1,538,164   | 1,642,082   |
| (6) Lighting            | 2,390,029   | 2,915,388     | 2,022,899   | 1,550,970   | 1,934,935   | 1,688,872   | 2,040,153   | 2,175,690   | 2,382,394   | 2,435,944   |
| (7) Retail Sales        | 756,231,558 | 853,969,422   | 730,921,410 | 760,213,529 | 759,711,194 | 621,645,529 | 726,494,871 | 729,867,220 | 790,135,269 | 805,181,147 |
| (8) Total kWh Sales     | 923,776,823 | 1,012,778,830 | 869,700,840 | 903,931,952 | 887,838,221 | 747,287,871 | 858,495,377 | 872,577,504 | 942,728,904 | 962,869,772 |
| (9) Wholesale Sales     | 138,465,478 | 143,232,799   | 167,545,265 | 158,809,408 | TS Data ... | ...         | Excised     | 125,642,342 | 132,000,506 | 142,710,284 |

Source:

- (1): Line 13 of Attachment No. 3, page 2 of 4 of MP's August 29, 2014 report in Docket No. E999/AA-14-579 and MP's September 1, 2015 Report in Docket No. E999/AA-15-611.
- (2): Line 20 of Attachment No. 3, page 2 of 4 of MP's August 29, 2014 report in Docket No. E999/AA-14-579 and MP's September 1, 2015 Report in Docket No. E999/AA-15-611.
- (3): Line 27 of Attachment No. 3, page 3 of 4 of MP's August 29, 2014 report in Docket No. E999/AA-14-579 and MP's September 1, 2015 Report in Docket No. E999/AA-15-611.
- (4): Line 34 of Attachment No. 3, page 3 of 4 of MP's August 29, 2014 report in Docket No. E999/AA-14-579 and MP's September 1, 2015 Report in Docket No. E999/AA-15-611.
- (5): Line 41 of Attachment No. 3, page 3 of 4 of MP's August 29, 2014 report in Docket No. E999/AA-14-579 and MP's September 1, 2015 Report in Docket No. E999/AA-15-611.
- (6): Line 48 of Attachment No. 3, page 4 of 4 of MP's August 29, 2014 report in Docket No. E999/AA-14-579 and MP's September 1, 2015 Report in Docket No. E999/AA-15-611.
- (7) = Sum of (1) through (6)
- (8): Line 2 of Attachment No. 3, page 2 of 4 of MP's August 29, 2014 report in Docket No. E999/AA-14-579 and MP's September 1, 2015 Report in Docket No. E999/AA-15-611.
- (9) = Page 4 of 5 of Attachment A.



Attachment 2, DOC October 30, 2015 comments in Docket No. E015/M-15-875

Page 2 of 3

Public Document

| Retail kWh Sales    | Total         | kWh Sales % | Class Factors | kWh Sales Adjusted % |
|---------------------|---------------|-------------|---------------|----------------------|
| Residential         | 1,041,143,014 | 13.82%      | 1.07076       | 14.80%               |
| General Service     | 579,281,274   | 7.69%       | 1.07093       | 8.23%                |
| Large Light & Power | 1,199,941,491 | 15.93%      | 1.00424       | 15.99%               |
| Large Power         | 4,669,418,491 | 61.97%      | 0.97769       | 60.59%               |
| Municipal Pumping   | 23,049,605    | 0.31%       | 0.98103       | 0.30%                |
| Lighting            | 21,537,274    | 0.29%       | 0.74029       | 0.21%                |
| Retail Sales        | 7,534,371,149 | 100.00%     |               | 100.13%              |

| Wholesale Sales | TS Data Excised | #VALUE! |
|-----------------|-----------------|---------|
|-----------------|-----------------|---------|

Public Document

(10) Credit Amount

(11) DOC calculated Retail Amount #VALUE!

(12) Adjusted Retail Amount

| Credit Amount             | MP      | Department | % change |
|---------------------------|---------|------------|----------|
| (13) Residential          |         | #VALUE!    | #VALUE!  |
| (14) General Service      |         | #VALUE!    | #VALUE!  |
| (15) Large Light & Power  |         | #VALUE!    | #VALUE!  |
| (16) Large Power          |         | #VALUE!    | #VALUE!  |
| (17) Municipal Pumping    |         | #VALUE!    | #VALUE!  |
| (18) Lighting             |         | #VALUE!    | #VALUE!  |
| (19) Retail Credit Amount | \$ -    | #VALUE!    | #VALUE!  |
| (20) Other Retail Amount  | #VALUE! | #VALUE!    | #VALUE!  |
| (21) Wholesale Amount     |         |            | #VALUE!  |
| Total Credit Amount       | #VALUE! | #VALUE!    | #VALUE!  |

(22) Difference #VALUE!

Note: the difference between the DOC's total credit amount and MP's total credit amount stems from MP's misallocation of the LP-related credit to Magnetation out of the Other Retail Credit Amount.

Source:

(11) = (10) - (21)

(12) = adjusted (11) to ensure that (19) equals (11)

(13) = (12) \* Residential adjusted percentage of kWh sales

(14) = (12) \* General Service adjusted percentage of kWh sales

(15) = (12) \* Large Light & Power adjusted percentage of kWh sales

(16) = (12) \* Large Power adjusted percentage of kWh sales

(17) = (12) \* Municipal Pumping adjusted percentage of kWh sales

(18) = (12) \* Lighting adjusted percentage of kWh sales

(19) = Sum of (13) through (18)

(20) = (19) - (16)

(21) = (10) \* Wholesale percentage of kWh sales

(22) = difference between the Department's total credit amount and MP's total credit amount

## **CERTIFICATE OF SERVICE**

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

**Minnesota Department of Commerce  
Public Comments**

**Docket No. E015/M-15-875**

**Dated this 30<sup>th</sup> day of October 2015**

**/s/Sharon Ferguson**

| First Name  | Last Name | Email                         | Company Name                       | Address  | Delivery Method    | View Trade Secret | Service List Name      |
|-------------|-----------|-------------------------------|------------------------------------|--|--------------------|-------------------|------------------------|
| Julia       | Anderson  | Julia.Anderson@ag.state.mn.us | Office of the Attorney General-DOC | 1800 BRM Tower<br>445 Minnesota St<br>St. Paul,<br>MN<br>551012134 | Electronic Service | Yes               | OFF_SL_15-875_M-15-875 |
| Christopher | Anderson  | canderson@allete.com          | Minnesota Power                    | 30 W Superior St<br><br>Duluth,<br>MN<br>558022191                 | Electronic Service | No                | OFF_SL_15-875_M-15-875 |
| Sharon      | Ferguson  | sharon.ferguson@state.mn.us   | Department of Commerce             | 85 7th Place E Ste 500<br><br>Saint Paul,<br>MN<br>551012198       | Electronic Service | No                | OFF_SL_15-875_M-15-875 |
| Margaret    | Hodnik    | mhodnik@mnpower.com           | Minnesota Power                    | 30 West Superior Street<br><br>Duluth,<br>MN<br>55802              | Electronic Service | No                | OFF_SL_15-875_M-15-875 |
| Lori        | Hoyum     | lhoyum@mnpower.com            | Minnesota Power                    | 30 West Superior Street<br><br>Duluth,<br>MN<br>55802              | Electronic Service | No                | OFF_SL_15-875_M-15-875 |
| Michael     | Krikava   | mkrikava@briggs.com           | Briggs And Morgan, P.A.            | 2200 IDS Center<br>80 S 8th St<br>Minneapolis,<br>MN<br>55402      | Electronic Service | No                | OFF_SL_15-875_M-15-875 |
| James D.    | Larson    | james.larson@avantenergy.com  | Avant Energy Services              | 220 S 6th St Ste 1300<br><br>Minneapolis,<br>MN<br>55402           | Electronic Service | No                | OFF_SL_15-875_M-15-875 |
| Douglas     | Larson    | dlarson@dakotaelectric.com    | Dakota Electric Association        | 4300 220th St W<br><br>Farmington,<br>MN<br>55024                  | Electronic Service | No                | OFF_SL_15-875_M-15-875 |
| John        | Lindell   | agorud.ecf@ag.state.mn.us     | Office of the Attorney General-RUD | 1400 BRM Tower<br>445 Minnesota St<br>St. Paul,<br>MN<br>551012130 | Electronic Service | Yes               | OFF_SL_15-875_M-15-875 |
| Susan       | Ludwig    | sludwig@mnpower.com           | Minnesota Power                    | 30 West Superior Street<br><br>Duluth,<br>MN<br>55802              | Electronic Service | No                | OFF_SL_15-875_M-15-875 |
| Pam         | Marshall  | pam@energycents.org           | Energy CENTS Coalition             | 823 7th St E<br><br>St. Paul,<br>MN<br>55106                       | Electronic Service | No                | OFF_SL_15-875_M-15-875 |

| First Name | Last Name       | Email                          | Company Name             | Address   | Delivery Method    | View Trade Secret | Service List Name      |
|------------|-----------------|--------------------------------|--------------------------|---|--------------------|-------------------|------------------------|
| Herbert    | Minke           | hminke@allete.com              | Minnesota Power          | 30 W Superior St<br><br>Duluth,<br>MN<br>55802                            | Electronic Service | No                | OFF_SL_15-875_M-15-875 |
| David      | Moeller         | dmoeller@allete.com            | Minnesota Power          | 30 W Superior St<br><br>Duluth,<br>MN<br>558022093                        | Electronic Service | Yes               | OFF_SL_15-875_M-15-875 |
| Andrew     | Moratzka        | apmoratzka@stoel.com           | Stoel Rives LLP          | 33 South Sixth Street<br>Suite 4200<br>Minneapolis,<br>MN<br>55402        | Electronic Service | No                | OFF_SL_15-875_M-15-875 |
| Leann      | Oehlerking Boes | lboes@mnpower.com              | Minnesota Power          | 30 W Superior St<br><br>Duluth,<br>MN<br>55802                            | Electronic Service | No                | OFF_SL_15-875_M-15-875 |
| Jennifer   | Peterson        | jjpeterson@mnpower.com         | Minnesota Power          | 30 West Superior Street<br><br>Duluth,<br>MN<br>55802                     | Electronic Service | No                | OFF_SL_15-875_M-15-875 |
| Susan      | Romans          | sromans@allete.com             | Minnesota Power          | 30 West Superior Street<br>Legal Dept<br>Duluth,<br>MN<br>55802           | Electronic Service | No                | OFF_SL_15-875_M-15-875 |
| Thomas     | Scharff         | thomas.scharff@newpagecorp.com | New Page Corporation     | P.O. Box 8050<br>610 High Street<br>Wisconsin Rapids,<br>WI<br>544958050  | Electronic Service | No                | OFF_SL_15-875_M-15-875 |
| Ron        | Spangler, Jr.   | rlspangler@otpc.com            | Otter Tail Power Company | 215 So. Cascade St.<br>PO Box 496<br>Fergus Falls,<br>MN<br>565380496     | Electronic Service | No                | OFF_SL_15-875_M-15-875 |
| Eric       | Swanson         | eswanson@winthrop.com          | Winthrop Weinstine       | 225 S 6th St Ste 3500<br>Capella Tower<br>Minneapolis,<br>MN<br>554024629 | Electronic Service | No                | OFF_SL_15-875_M-15-875 |
| Karen      | Turnboom        | karen.turnboom@newpagecorp.com | NewPage Corporation      | 100 Central Avenue<br><br>Duluth,<br>MN<br>55807                          | Electronic Service | No                | OFF_SL_15-875_M-15-875 |

| First Name | Last Name | Email                | Company Name                | Address   | Delivery Method    | View Trade Secret | Service List Name      |
|------------|-----------|----------------------|-----------------------------|---|--------------------|-------------------|------------------------|
| Daniel P   | Wolf      | dan.wolf@state.mn.us | Public Utilities Commission | 121 7th Place East<br>Suite 350<br>St. Paul,<br>MN<br>551012147 | Electronic Service | Yes               | OFF_SL_15-875_M-15-875 |